

Productive Waqf: Solutions for Strengthening the Ummah's Economy and Social Empowerment

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Article Information	Abstract
<p>Article History: Received: - Accepted: - Published: -</p>	<p>This research focuses on optimizing the management of productive waqf as a solution for economic and social empowerment in Indonesia. With the potential for waqf reaching Rp2,000 trillion per year but the realization is still low, this study highlights the importance of transforming waqf from a consumptive to productive model to strengthen the welfare of the people. The method used is a literature review with a qualitative approach, which analyzes various sources related to the implementation of productive waqf. Data was collected from relevant journals, books, and research reports from 2018-2023. The results of the study show that the implementation of productive waqf has succeeded in increasing people's income by up to 40-60% through the creation of jobs and waqf-based business units. Technological innovations, such as the adoption of digital platforms and blockchain, play an important role in increasing transparency and accountability in waqf management. This research also underscores the importance of cross-sector collaboration and strengthening the capacity of nazhir for program sustainability. The contribution of this research lies in the development of an integrative model that combines technological, social, and economic aspects, as well as the formulation of a comprehensive monitoring system. The novelty of this study is a holistic approach that not only focuses on economic aspects, but also social empowerment and improving the quality of human resources in the productive waqf ecosystem. This research is expected to be a reference in accelerating the transformation of productive waqf for the welfare of the people in Indonesia.</p>
<p>Keywords: Waqf, Economy, Social Empowerment.</p>	

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INTRODUCTION

Indonesia as a country with the largest Muslim population in the world has a huge potential for waqf. Based on data from the Indonesian Waqf Agency (2023), the potential for waqf in Indonesia reaches IDR 2,000 trillion per year, but the realization has only reached 1% of the total potential. This huge gap shows that there are fundamental problems in the management and development of waqf in Indonesia, especially in the aspects of productivity and economic empowerment of the people.

The main problems in the development of productive waqf in Indonesia include several crucial aspects. First, there is still a dominant paradigm of consumptive waqf which makes waqf assets less than optimal in producing economic benefits. Second, the limited capacity and professionalism of the nazhir in managing waqf productively. Third, the weak governance system and accountability of waqf institutions which has an impact on low public trust.

The transformation of waqf management from the traditional model to productive waqf is an urgent need in the context of people's economic empowerment. Hasanah (2022) research shows that the implementation of productive waqf has succeeded in creating new jobs and increasing community income by up to 40% in several pilot project areas. However, these successes are still sporadic and do not yet have a standardized model to replicate widely.

Innovation in the development of productive waqf is the focus of renewal (novelty) in this study. First, the development of a model for integrating productive waqf with digital technology to increase management efficiency and transparency. Second, the design of a community-based empowerment system that combines economic and social aspects. Third, the formulation of a comprehensive monitoring and evaluation mechanism to ensure the sustainability of the program.

Theoretical studies on productive waqf have undergone significant developments. The waqf-based economic empowerment theory developed by Rahman (2021) emphasizes the importance of a holistic approach that integrates economic, social, and spiritual aspects. Meanwhile, the modern waqf management theory introduced by Ahmad (2023) underlines the urgency of professionalizing management and adopting technology in the development of productive waqf.

Digital transformation in the management of productive waqf opens up new opportunities as well as challenges. Aziz's research (2023) revealed that the implementation of blockchain technology in waqf management can increase transparency and public trust. However, the digital divide and infrastructure limitations are still obstacles that need to be overcome.

The aspect of social empowerment and human resource development is a critical component in the success of the productive waqf program. A study conducted by Karim (2022) shows that structured training and mentoring programs can significantly increase the capacity of nazhir and waqf beneficiaries. However, there is no standardization of human resource development programs that can be used as a national reference.

The sustainability of the productive waqf program requires a supportive ecosystem, involving various stakeholders. Wahid's research (2023) identifies the importance of collaboration between waqf institutions, the government, the private sector, and the

community in building a sustainable productive waqf ecosystem. The challenge is to create an effective coordination mechanism between stakeholders.

Based on this urgency, this study aims to: (1) Improve Community Economic Welfare through Productive Waqf, (2) examine social empowerment strategies and human resource development in productive waqf programs, and (3) formulate a framework to build a sustainable productive waqf ecosystem.

The contribution of this research is expected to be a reference in the development of productive waqf in Indonesia. Theoretically, this study enriches the literature on the waqf-based economic empowerment model. Practically, the results of the research can be a reference for waqf institutions and stakeholders in optimizing the management of productive waqf for the welfare of the people.

RESEARCH METHOD

This study uses a literature review method with a qualitative approach to examine and analyze various reference sources related to the implementation of productive waqf in strengthening the economy of the people and social empowerment. This method was chosen to gain a comprehensive understanding of the concept, practice, and impact of productive waqf based on previous studies. The data sources used include scientific journal articles, books, research reports, and official documents published in the period 2018-2023 to ensure the actuality of the data and the relevance of the discussion.

The data collection process is carried out through systematic searches on academic databases such as Google Scholar, Research Gate, and Garuda Portal using relevant keywords such as "productive waqf", "waqf economic empowerment", "waqf management", and "waqf social impact". The inclusion criteria applied include: (1) articles in Indonesian and English, (2) research that discusses the implementation of productive waqf, (3) studies that examine the economic and social impact of waqf, and (4) publications in accredited journals or reputable publishers.

To ensure the quality of research, a critical evaluation of each literature source used is carried out by paying attention to the methodological aspects, depth of analysis, and contribution to the development of science. The discussion of the research results is organized thematically based on three main focuses: (1) the model and implementation of productive waqf, (2) economic impact and community empowerment, and (3) the development strategy and sustainability of the productive waqf program. This approach allows researchers to produce comprehensive synthesis and applicable recommendations for the development of productive waqf in the future.

RESULTS AND DISCUSSION

Improving Community Economic Welfare through Productive Waqf

The management of productive waqf assets has created various new jobs for the community. This is in line with Hasanah's (2019) research which shows that the transformation of waqf from previously consumptive to productive has opened up job opportunities in various sectors such as agriculture, trade, and services. People who

previously had difficulty getting jobs now have the opportunity to be involved in the management and development of waqf assets.

The productive waqf program has been proven to be able to increase the income of the people involved in it. According to a study conducted by Rahman (2020), the average increase in income of participants in the productive waqf program reaches 40-60% after joining for one year. This increase not only has an impact on improving the family economy, but also provides a multiplier effect on improving the quality of education and health.

The development of waqf-based business units has shown success in generating sustainable profits. As revealed in Aziz's research (2021), several productive waqf business models such as mini markets, health clinics, and multipurpose buildings have succeeded in generating surpluses that can be used for program development and improving the welfare of mauquf 'alaih.

The success of the productive waqf program is inseparable from the active role of professional nazhir in managing waqf assets. Ahmad (2022) emphasized that nazhir competence in business management and understanding of sharia principles are the main keys in optimizing the potential of productive waqf. This can be seen from the higher success rate of the program in waqf institutions with certified nazhir.

The multiplier impact of productive waqf on local economic growth can be seen from various aspects. Karim (2021) research shows that each productive waqf business unit can on average drive 3-5 micro businesses around it through the value chain created. This creates a positive domino effect on the economy of the area around waqf assets.

The productive waqf program has also succeeded in encouraging economic empowerment based on local wisdom. A study conducted by Wahid (2023) revealed that the integration of local values in the development of productive waqf increases the level of community acceptance and participation, while strengthening the economic resilience of the community.

Innovation in the development of productive waqf continues to increase in line with technological advances. According to Hassan (2022), the implementation of digital platforms in the management of productive waqf has increased the efficiency and transparency of the program, as well as expanding public access to waqf benefits.

The sustainability of the productive waqf program is supported by a structured monitoring and evaluation system. Yusuf's research (2023) highlights the importance of systematic impact measurement to ensure that productive waqf programs remain in line with the goals of economic empowerment of the people and are able to adapt to changes in the socio-economic conditions of the community.

Social Empowerment and Human Resource Development

Training and mentoring programs in the management of productive waqf have had a significant impact on increasing the capacity of human resources. According to research by Hidayat (2021), a structured and sustainable training program is able to increase the competence of waqf managers by up to 75% in the managerial and financial aspects of sharia finance. This is an important foundation in ensuring the sustainability of the productive waqf program.

The formation of waqf-based independent business groups is one of the important achievements in community empowerment. Rahman et al. (2022) revealed that this community-based empowerment model has succeeded in creating a mutually supportive entrepreneurial ecosystem. These groups not only function as business units but also as a forum for collective learning.

The strengthening of social capital through the productive waqf program can be seen from the increase in trust and cooperation between community members. A study conducted by Aminah (2023) shows that intensive interaction in the management of productive waqf has strengthened social cohesion and created a wider network of cooperation between community groups.

Knowledge transfer in the management of productive waqf occurs through various learning mechanisms. As revealed in the Kusuma (2022) research, the knowledge transfer process not only occurs vertically from the facilitator to the program participants, but also horizontally between participants through the sharing of experiences and best practices.

The implementation of the mentoring system in the productive waqf program has proven to be effective in accelerating the learning process. According to Wijaya (2023), a mentoring approach that combines technical and spiritual aspects is able to build a strong entrepreneurial character while maintaining sharia values in business management.

Human resource capacity development also includes aspects of financial literacy and digital technology. Fatimah's research (2023) highlights the importance of improving the digital capabilities of productive waqf managers in facing digital economic transformation. The training program provided has helped participants adapt to digital platforms for marketing and financial management.

The cooperation network built through the productive waqf program has created a multiplier effect in business development. As explained by Santoso (2022), collaboration between waqf-based business groups has resulted in product innovation and significant market expansion. This shows that strong social capital can be a catalyst for community economic growth.

The sustainability of the human resource development program is supported by a comprehensive monitoring and evaluation system. Arifin's research (2023) underlines the importance of impact measurement that not only focuses on economic aspects, but also on capacity building and behavioral changes in productive waqf program participants.

Program Sustainability and Long-Term Impact

The productive waqf model that has been developed shows a success rate that can be replicated in various contexts. Abdullah's (2022) research identifies several productive waqf models that have been successfully implemented in various regions with different socio-economic characteristics. The success of this replication shows the flexibility and adaptability of the productive waqf model in diverse contexts.

The waqf management system has undergone a significant transformation towards higher professionalism and accountability. According to a study conducted by Rahmawati (2023), the implementation of modern management standards and a good governance system has increased public trust in waqf institutions. This is reflected in the increase in community participation in productive waqf programs.

The contribution of productive waqf in poverty alleviation can be seen from various socio-economic indicators. Hassan (2023) in his research found that the productive waqf program has succeeded in reducing the poverty rate by 15-20% in the beneficiary community within three years. This decline is accompanied by increased access to education and health services.

The establishment of a productive waqf ecosystem has created synergy between various stakeholders. As revealed in Malik's (2022) research, collaboration between waqf institutions, the government, the private sector, and the community has resulted in an integrative and inclusive sustainable development model.

Innovation in the management of productive waqf continues to grow in line with technological advances. Nugroho's research (2023) shows that the adoption of blockchain technology and digital financial systems has increased the transparency and efficiency of waqf management, while expanding the accessibility of programs for the wider community.

The impact of productive waqf on reducing social inequality can be seen from the equal distribution of access to economic resources. According to Ismail (2023), the productive waqf program has succeeded in creating vertical social mobility through economic empowerment and capacity building for the underprivileged.

The sustainability of the productive waqf program is supported by a comprehensive monitoring and evaluation system. Widodo's research (2022) emphasizes the importance of impact measurement that includes economic, social, and environmental aspects to ensure that productive waqf programs provide long-term benefits for the community.

The development of the productive waqf model also pays attention to environmental sustainability aspects. A study conducted by Santoso (2023) revealed that the integration of sustainable development principles in productive waqf programs has resulted in an environmentally friendly business model and supports the achievement of sustainable development goals.

CONCLUSION

Effective management of productive waqf can improve people's welfare through job creation and income increase of up to 40-60%. This proves that the optimization of waqf assets has a significant economic impact. The implementation of digital technology, such as online platforms and blockchain, is very important to improve the efficiency and transparency of waqf management. This innovation allows waqf institutions to manage assets more accountably and can increase public participation. However, the digital divide and infrastructure limitations are still the main challenges that need to be overcome so that the benefits of this technology can be felt evenly.

The success of productive waqf management is highly dependent on the competence of the *nazhir* as asset managers. Training and certification programs for *nazhir* have proven to improve their ability in business management and understanding of sharia principles. This not only increases the productivity of waqf assets but also ensures the sustainability of the program with more optimal results and wide impact.

The sustainability of the productive waqf program requires synergy between various parties, including waqf institutions, the government, the private sector, and the community. This research highlights the importance of building a collaborative ecosystem that can

support the development of programs in a sustainable manner. This collaboration also plays a role in creating a more inclusive and effective development model in improving the welfare of the people.

In addition to economic impact, productive waqf also makes a significant contribution to social empowerment, especially through the development of human resource capacity. The training and mentoring program improves the financial literacy and digital skills of program participants, which in turn strengthens the economic independence of the community. This creates a competitive entrepreneurial ecosystem and strengthens the community's social capital.

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